
IDC Files Annual Financial Statements on SEDAR

Calgary, Alberta – May 14, 2018 - Imaging Dynamics Company Ltd. ("IDC" or the "Company") (TSXV:IDL) reports its financial results for the December 31, 2017 fiscal year end.

2017 Summary:

- In 2017, IDC started the financing of its wholly-owned Subsidiary ("IDC Shanghai") for RMB 80,000,000 (approximately CAD 16,091,108) with Beijing Sheng Zexin Technology Development Co (BSZ), Beijing Xiangyuda Technology Co, (BXT) and Shanghai Fuli Medical Technology Limited Partnership (Fuli). Management has received financing in the amount of RMB 71,071,401 (approximately CAD 13,702,624) from the above-noted three investors late in fiscal 2017. The transaction was approved by the Chinese regulatory authorities on May 2, 2018. The above financing arrangement will result in the Company losing control of IDC Shanghai. Thus, the assets and liabilities of IDC Shanghai and its subsidiaries were classified as a disposal group held for sale and results have been presented as a discontinued operation in the comparative consolidated statements of income (loss) separately from continuing operations.
- Gross revenues for the three and twelve months ended December 31, 2017 increased by 148 and 73 percent respectively compared to the same periods in 2016. Gross revenues for the three and twelve months ended December 31, 2017 were \$10,797,615 (\$143,969 attributable to the parent and \$10,653,646 attributable to the discontinued operations) and \$13,042,116 (\$875,175 attributable to the parent and \$12,166,941 attributable to the discontinued operations), compared to \$4,351,943 and \$7,543,199 respectively in the same periods of 2016. For the 2017 year, 93 percent (2016 – 85 percent) of company sales were in China and 7 percent (2016 – 15 percent) were in the Americas.
- Gross margins were for the three and twelve months ended December 31, 2017 were \$1,355,543 (\$44,101 attributable to the parent and \$1,311,442 attributable to the discontinued operations) (13 per cent) and \$1,665,447 (\$123,837 attributable to the parent and \$1,541,610 attributable to the discontinued operations) (13 percent) compared to \$1,258,986 (29 percent) and \$2,302,058 (31 percent), respectively, for the same periods in 2016. The reduced of Gross Margin Percentage in 2017 is attributed to the Company acting as a distributor selling large CT and MRI type equipment at a lower margin than what would be achieved through the sale of its own products.
- Overhead costs (sales, general and administrative, production and manufacturing, and research and development expenses) for the year ended December 31, 2017 were \$8,087,598, compared to \$6,679,967 in 2016. \$ 6,541,907 of SAR costs in 2017 are for the discontinued operations, compared to \$4,582,184 in 2016. At December 31, 2017,

IDC employed 116 full time staff, 101 of whom were in China. This increase is due to establishing of operations and research facilities in China and Canada and establishing the sales force.

- Net loss for the three and twelve months ended December 31, 2017 was \$3,882,889 (\$1,196,997 from continued operations and \$2,685,892 from discontinued operations) and \$11,591,034 (\$4,022,535 (\$0.07 per share) from continued operations and \$7,568,499 (\$0.13 per share) for discontinued operations), compared to a net loss of \$1,385,170 (\$0.02 per share) and \$5,762,660 (\$0.10 per share) in the same periods of 2016 on a post-consolidated basis. The reason for this increased loss in 2017 compared to 2016 were increased overhead due to setting up and develop of the market the business during 2017 so it can sustain future growth, and interest costs on the convertible debentures and the short-term loan payable.
- Trade and other receivables increased to \$9,032,012 (\$143,713 attributable to the parent and \$8,882,821 attributable to the discontinued operations) at the end of December 31, 2017 from \$4,842,506 at December 31, 2016, due to an increase in sales, particularly in the 3rd and 4th quarter of 2017.
- Trade and other payables increased from \$4,311,686 at December 31, 2016 to \$9,241,522 (\$1,846,060 from continued operations and \$7,395,462 from discontinued operations) at December 31, 2017. This increase is due to higher accruals and obligations for inventory. The payment terms for some of the Company's accounts payable are extended to match the extended terms for its own accounts receivables.
- In November 2017, the wholly-owned Subsidiary - Shanghai received a financing with a total of \$13,702,624 from the investors, the legal procedure for the transaction is finished on May 2nd, 2018.

The Company's annual consolidated financial statements for the year ended December 31, 2017 and the related management discussion and analysis are available on Sedar.com.

About Imaging Dynamics Company (IDC):

IDC is a global medical imaging technology provider and innovative force in the high growth field of digital radiography (DR) technology.

The Company has thousands of installations in 50 countries of its proprietary, award winning direct capture DR technology, which replaces conventional film-based diagnostic imaging and provides a cost-effective solution for medical facilities of all sizes to provide high quality diagnostic X-ray images and improve the level of healthcare for their patients.

Throughout its history, IDC has been recognized by multiple industry organizations and research analysts such as: Frost & Sullivan and Deloitte Technology; for its dedication to innovation, global market growth, and customer focused value proposition.

The Company has its corporate office in Calgary, Canada, a sales and marketing office in Beijing, China, and also operations, research and development centres in Calgary, Canada and Shanghai, China. Visit the IDC web site: www.imagingdynamics.com

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Statements in this release which describe IDC's intentions, expectations or predictions, or which relate to matters that are not historical facts are forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties which may cause the actual results, performances or achievements of IDC to be materially different from any future results, performances or achievements expressed in or implied by such forward-looking statements. IDC may update or revise any forward-looking statements, whether as a result of new information, future events or changing market and business conditions. Known and unknown risks and uncertainties include: IDC's ability to manufacture its products with a sufficient level of quality and in volumes which satisfy market demand; the ability of IDC to establish direct and indirect sales channels; the ability of IDC to establish industry partnerships; IDC's ability to attract and retain key personnel; the strength and breadth of IDC's patents; and other factors relating to general economic conditions, specific industry conditions and IDC's particular situation.

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